
Report to CABINET

Oldham Community Leisure – Contract

Portfolio Holder:

Councillor Z Chauhan – Cabinet Member Health and Social Care

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Reason for Decision

The purpose of this report is to:

- Update on the Oldham Community Leisure (OCL) current position (including GloGym) as a result of Covid 19.
- Seek agreement to pay OCL loss of income without prejudice, based on a contractual position, due to a forced closure of its facilities as a result of Covid-19 for the period of the 1st April 2020 through to the 24th July 2020
- Agree that ongoing dialogue with OCL is required during operational recovery to ensure it continues as a going concern in the most efficient and effective manner.

Recommendations

It is recommended that the Council agrees:

- 1) To pay OCL for loss of income without prejudice, based on a contractual position, due to a forced closure of its facilities as a result of Covid-19 for the period of the 1st April 2020 through to the 24th July 2020. Further detail is set out in the report in the restricted part of the agenda.
- 2) That an ongoing dialogue takes place during operational recovery to support the survival of OCL.

Oldham Community Leisure – Contract

1 Background

- 1.1 Oldham Community Leisure (OCL) delivers the leisure offer through operating leisure centres owned by the Council, one private venture and a wider community offer. This is contracted through the Council (except the private venture).
- 1.2 The Covid-19 situation has presented a number of significant issues for Leisure and Sport. This includes the cancellation of all team sport activity from all National Governing Body of Sport. In addition, a forced closure of all leisure facilities. Therefore, OCL's Leisure facilities have been closed since close of play of the 20th March 2020 including its GloGym facility (the private venture). The Government prohibited reopening until the 25th July 2020.
- 1.3 Improving the health of our communities is even more important currently and in particular for those residents and communities that are vulnerable. Inactivity is the fourth leading cause of premature death worldwide. OCL are a key organisation that supports improving the health of our Borough. During lockdown OCL, as a social enterprise, have been extremely supportive of our community response to support our most vulnerable residents. This has included them offering Oldham Sports Centre as a venue to operate the foodbank from and staff to support this.

2 Current Position

- 2.1 Ongoing conversations have taken place with OCL to understand the impact of the Closure and Covid 19 and the mitigations they have put in place.
- 2.2 **Job retention scheme (furlough)** – OCL have had a maximum number of staff on furlough from first date of mandatory closure across OCL & Wellbeing Leisure in order to maximise the amount of financial support from central government. 95% of OCL staff have been initially furloughed, with wages topped up to normal earnings (due to pension risk), saving circa £0.160m per month. All but one GloGym staff members furloughed (no top up).
- 2.3 **GM position** – Other GM authorities, albeit they have differing contractual arrangements, are in a similar position to Oldham and are looking to support their Trusts.

In addition, Greater Manchester Chief Executives are commissioning an external consultant to examine the considerations and opportunities for achieving two aims in the light of the Covid-19 pandemic:

1. To sustain the public sector leisure infrastructure through the pandemic and beyond.
2. To maximise future contribution of the leisure providers to the population health picture in Greater Manchester as we seek to Build Back Better.

Timescales will tie in with GM Recovery Plan timescales; 0-2 months, 0-12 months, 12 months and beyond; weathering the storm, strengthening the sector long term so it can make its full contribution to locality recovery plans and GM Moving for GM Recovery. Critical is the survival of our Leisure provision during this period. The financial impact of Covid-19 on Leisure contracts and budgets is significant. Central Government needs to understand the impact and Local Government working with Leisure Providers work

together on initial survival but also plan a redesigned recovery programme to deliver a Leisure and Physical Activity offer. This work and lobbying to Central Government from GM may present some opportunities.

2.7 Contractual obligations - There are both legal and financial complexities associated with this contract for both the loss of income claim due to the sports centre closures and how the Council can work with OCL during operational recovery.

2.8 Impact - Next Steps Operational Delivery – The Government announced that Leisure Centres could reopen from the 25th July 2020. Following meetings, it is clear OCL would be able to open for this date and in particular because of the work they have done during lockdown to safely open. OCL have put in place plans for a safe opening and the Council has also supported through its Public Health team. An area by area analysis on sites has been done and appropriate assessments on numbers allowed in each space and alternate use of some spaces along with new safety signage is in place.

Moving forward how the Council and OCL working together during operational recovery is critical. The centres may not be fully operational for some time.

3 Options/Alternatives

3.1 Further detail is set out in the report in the restricted part of the agenda of the Cabinet meeting on the 24th August 2020.

5 Consultation

5.1 Colleagues from across the council have been in regular dialogue with OCL.

6 Financial Implications

6.1 Full financial implications are outlined in a separate report that will be considered in the restricted part of the Cabinet meeting on the 24th August 2020.

7 Legal Services Comments

7.1 A separate note outlining the legal implications flowing from the government's order to close down centres from 20th March 2020 is considered in a separate report in the restricted part of the Cabinet meeting.

8. Co-operative Agenda

8.1 The OCL contract supports the Councils cooperative values and often goes beyond what is set in the contract including running community events, supporting the leadership of the Borough and working with the voluntary sector. During lockdown OCL have been extremely supportive of our communities including allowing the use of its Oldham Leisure Centre Sports Hall to be used as a Foodbank distribution Centre. It has also supported this with its staff.

9 Human Resources Comments

9.1 None

10 Risk Assessments

10.1 In determining the level of support to be given to OCL the Council needs to manage a number of risks. These are outlined in the restricted report.

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- 11 **IT Implications**
- 11.1 None
- 12 **Property Implications**
- 12.1 None
- 13 **Procurement Implications**
- 13.1 From the guidance contained within PPN04 – COVID Supplier Relief, Procurement supports the recommendation within this report. (S. Boyd)
- 14 **Environmental and Health & Safety Implications**
- 14.1 There are no specific contract implications.
- 15 **Equality, community cohesion and crime implications**
- 15.1 None
- 16 **Equality Impact Assessment Completed?**
- 16.1 No
- 17 **Key Decision**
- 17.1 Yes
- 18 **Key Decision Reference**
- 18.1 HSC-04-20
- 19 **Background Papers**
- 19.1 Background papers are outlined in a separate report that will be considered in the restricted part of the Cabinet meeting on the 24th August 2020.
- 20 **Appendices**
- 20.1 These are listed in the report in the restricted part of the agenda.
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